

**CERTIFICATION OF ADMINISTRATIVE RULES  
OF THE DEPARTMENT OF REVENUE  
FILED WITH THE SECRETARY OF STATE  
BRIAN P. KEMP**

(Pursuant to O.C.G.A. §§ 50-13-3, 50-13-4 and 50-13-6.)

I do hereby certify that the attached Rules are correct copies as promulgated and adopted on the 15<sup>th</sup> of December, 2010.

GEORGIA DEPARTMENT OF REVENUE

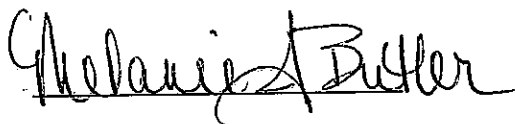
Filing Date: December 15, 2010.

The Georgia Department of Revenue has adopted:

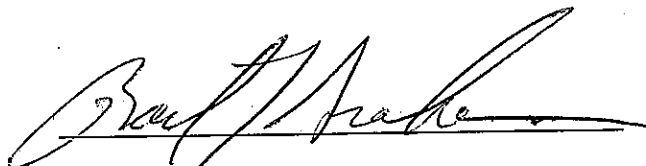
- 560-2-18-.01, entitled "Definitions"
- 560-2-18-.02, entitled "Qualifications"
- 560-2-18-.03, entitled "Application Requirements"
- 560-2-18-.04, entitled "Master License"
- 560-2-18-.05, entitled "Location License"
- 560-2-18-.06, entitled "Temporary License"
- 560-2-18-.07, entitled "Temporary Location Permit"
- 560-2-18-.08, entitled "Permit Sticker"
- 560-2-18-.09, entitled "Removal of Permit Stickers"
- 560-2-18-.10, entitled "Inspection of Licensed Premises and Records"
- 560-2-18-.11, entitled "Failure to Comply with Tax Laws"
- 560-2-18-.12, entitled "Subterfuge"
- 560-2-18-.13, entitled "Consequences for Violations"
- 560-2-18-.14, entitled "Non-Cash Redemption"

The aforementioned Rules are being adopted under the authority of O.C.G.A. §§ 48-2-12, 48-17-1, 48-17-2, 48-17-9, 48-17-11, 48-17-12, 48-17-13 and 48-17-14.

Sworn to and subscribed before me this 15<sup>th</sup> day of December, 2010.



(Signature of Notary Public)  
Notary Public, Rockdale County, Georgia  
My Commission Expires Nov. 19, 2012



Bart L. Graham  
Commissioner  
Georgia Department of Revenue

**RULES  
OF  
DEPARTMENT OF REVENUE  
ALCOHOL AND TOBACCO DIVISION**

**CHAPTER 560-2-18  
COIN OPERATED AMUSEMENT MACHINES**

**560-2-18-.01 Definitions – COAM.**

As used in these Regulations:

(1) A bona fide coin operated amusement machine shall hereinafter be referred to as "COAM" and have the meaning assigned to it under O.C.G.A. § 48-17-1(2), except that any machine described in O.C.G.A. § 48-17-1(2) for which there is no charge, shall not be subject to the requirements of this chapter. The Term COAM shall include:

(a) Karaoke machines;

(b) "Coin Operated Pool Table" and "Coin Operated Billiard Table" means any pool table or billiard table modified or originally manufactured to be coin operated and for which a charge is imposed to play.

(2) "Class A Machine" shall have the same meaning as provided for in O.C.G.A. § 48-17-1(2.2).

(3) "Class B Machine" shall have the same meaning as provided for in O.C.G.A. § 48-17-1-(2.3).

(4) "Coin" shall mean any object, including, but not limited to such things as a coin, paper bill, ticket, token or other

monetary substitute, which is necessary for the operation of a COAM

(5) "Location License" shall have the same meaning as provided for in O.C.G.A. § 48-17-1(3.1).

(6) "Master License" shall have the same meaning as provided for in O.C.G.A. § 14-17-1-(4).

(7) "Operator" shall have the same meaning as provided for in O.C.G.A. § 14-17-1(5).

(8) "Owner" shall have the same meaning as provided for in O.C.G.A. § 14-17-1(6)

(9) "Permit Sticker" shall mean the sticker issued by the Department to each Owner, for each class of COAM.

(10) "Temporary Location Permit" shall have the same meaning as provided for in O.C.G.A. § 48-17-1(11).

(11) "Vending Machine" shall mean a machine whose operation requires no skill, chance, or luck on the part of the user to obtain a desired tangible item in exchange for payment and provides for no further subsequent winning of anything of value. The exchange must be a simultaneous transaction that does not require redemption by the user including, but not limited to, such things as vouchers, tokens, tickets, or other evidence of winnings.

Authority: O.C.G.A. §§ 48-2-12, 48-17-1, 48-17-12.

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**560-2-18-.02 Qualifications – COAM.**

(1) Any Owner or Operator, whether a resident or nonresident of Georgia, of COAMs located in Georgia and used for commercial purposes must qualify to do business in Georgia in the manner required by applicable laws.

(2) Any Owner or Operator, whether a resident or non-resident of Georgia, of any COAMs located in Georgia, shall be in compliance with all taxes and fees imposed by applicable laws, regulations and ordinances.

(3) An entity is deemed to be the Owner of a COAM if that person has a right to:

(a) Access and retain the gross receipts in any COAM without the consent or presence of the person furnishing, stocking, or servicing the machine;

(b) Establish or approve a rental, commission, or gross receipts sharing arrangement based in whole or in part on the gross receipts in any COAM;

(c) Insure, or require insurance by a third-party while under the control of that third-party, any COAM against loss due to fire, theft, damage, or other occurrences;

(d) Retain directly or indirectly a percentage of the gross receipts from any COAM as a result of an ownership interest in the COAM;

(e) Control the disposition, movement, or maintenance of any COAM;

(f) An obligation to pay any indebtedness secured by, or incurred in connection with, the lease or purchase of any COAM;

(g) Bill of sale for the purchase of COAMs at fair market value.

(4) An entity is deemed to be the Operator of a COAM if that person has a right to:

(a) Possession of a COAM;

(b) Conduct business at a location where a COAM is in use;

(c) Share in the proceeds of a COAM at a location under the ownership or exclusive control of the person; or

(d) Dominion and control over a COAM while in operation.

Authority: O.C.G.A. §§ 48-2-12, 48-17-2, 48-17-12, 48-17-13.

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**560-2-18-.03 Application Requirements – COAM.**

(1) An application for a Master License or Location License to do business under this Chapter shall be in the form required by the Commissioner and contain:

(a) The full legal name of the applicant, the type of ownership, a listing of any trade names of the applicant, and the names and addresses of the officers of the applicant;

(b) The name, address and telephone number of every person who has a financial interest in the business, and a description of the nature, type, and extent of that financial interest;

(c) A signed statement under oath that the information in the application is true and correct;

(d) The address of a designated office in Georgia where the applicant will maintain the records regarding its operation of COAMs and any other information required to be maintained by law and these regulations;

1. If the designated office is also the place of business of the registered agent, the records of the business regarding the operation of COAMs in Georgia must be kept at such place of business.

(e) The applicant's State Taxpayer Identification Number, Federal Employer Identification Number, or Social Security Number;

(f) Total number and class designation of COAMs;

(g) Email address of the owner or operator;

(h) The name and address of a corporation's registered agent, or as to any other type of business, a party designated to receive service of process;

(i) Any other information the Commissioner may require.

(2) Additional requirements as to Master Licenses:

(a) A complete listing of each location at which the applicant offers COAMs for play on a form as prescribed by the Commissioner, including the:

1. Legal and trade name of the entity operating at each location.

2. Street address of each location where COAMs will be offered for play.

(3) A temporary license may be obtained prior to issuance of a Master License and/or Location License by submitting the appropriate processing fee.

(4) If there is a change in ownership of the business or COAM, or the location of any COAM, throughout the license period, the licensee shall update the information within fifteen (15) business days of the change.

(5) Vending Machines are not COAMs pursuant to O.C.G.A. § 48-17-1(2)(B).

Authority: O.C.G.A. §§ 48-2-12, 48-17-2, 48-17-12.



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**560-2-18-.04 Master License – COAM.**

(1) All Owners of COAMs must obtain a Master License prior to placing COAMs in operation.

(2) The Master License shall contain the following information:

(a) The date of issuance;

(b) The expiration date;

(c) The Master License number;

(d) Name and mailing address of the Owner(s).

(3) A Master License shall be valid and effective commencing July 1, or upon issuance if purchased after July 1, through June 30 of the following year.

(4) The original Master License shall be retained by the Owner of the COAMs and displayed at the Owner's place of business in a conspicuous location if COAMs are operated there.

(5) The Master Licensee must provide an Operator with a copy of the Master License if COAMs are in operation at a location other than the place of business of the Owner.

(6) A Master Licensee shall notify the Commissioner if the Master Licensee's COAMs have been completely removed from a location within five (5) business days from removal of the COAM, on forms prescribed by the Commissioner.

(7) A Master License is not transferrable from one Owner to another Owner.

(8) A Temporary License to operate COAM may be obtained prior to full licensure, as provided for in Regulation 560-2-18-.06.

Authority: O.C.G.A. §§ 48-2-12, 48-17-12.

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**560-2-18-.05 Location License – COAM.**

(1) All Operators of COAMs must obtain a Location License prior to placing COAMs in operation.

(a) If COAM are made available for play by the public, prior to obtaining full licensure from the Department and no order of denial has been delivered, Operators must provide:

1. A copy of the application submitted to the Department;
2. A copy of proof of payment submitted along with the application; and
3. Certified Mail receipt, or fax acknowledgement from the Department that the application and payment have been received.

(2) The Location License shall contain the following information:

- (a) The name and address of the business location;
- (b) The date of issuance;
- (c) The expiration date;

(d) The name and mailing address of the Operator(s);

(e) The number of each class of machine in use at that location.

(3) A Location License shall be valid commencing July 1, or upon issuance if purchased after July 1, through June 30 of the following year.

(4) The original Location License shall be posted at the Operator's place of business in a conspicuous public location.

(5) A licensed location shall also display, in a conspicuous public location, a copy of each Master License of the COAMs in operation at that location.

(6) A Location Licensee shall notify the Commissioner if a Master Licensee has removed all COAMs owned by that Master Licensee from the location within five (5) business days of removal on forms prescribed by the Commissioner.

(a) If the Location Licensee enters an agreement with another Master Licensee for COAMs:

1. Of the same class and number for which the previous license was issued, the Department shall issue a duplicate license reflecting the change in the Master Licensee, for no additional charge.

2. Of a different class or for more COAMs for which the original license was issued, the Location Licensee must obtain a new Location License.

(7) A Location License is not transferrable from one Operator to another.

(8) A Temporary License to operate COAM may be obtained prior to full licensure, as provided for in Regulation 560-2-18-.06.

Authority: O.C.G.A. §§ 48-2-12, 48-17-2.

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**560-2-18-.06 Temporary License – COAM.**

(1) Owners and Operators may apply for a temporary license to operate COAMs prior to full licensure approval by the Department.

(2) Upon completion of an initial review of the license application, the Department may issue a temporary license.

(3) A temporary license is valid from the date of issuance until:

(a) Full approval and issuance of a Master License and/or Location License;

(b) Denial of the application;

(c) Withdrawal by the Commissioner with or without cause

1. The Commissioner shall provide the temporary licensee twenty-four hours notice prior to withdrawal of temporary approval.

2. The Commissioner may rescind approval for the temporary license without a hearing.

(4) If an application is denied the temporary permit will no longer be valid and the processing cost is not refundable.

(5) The temporary license shall provide:

(a) The name and address of the location;

(b) The date of issuance;

(c) Name and mailing address of the Owner or Operator;

(d) The number of each class of machine in use at that location for a temporary location license.

(6) The original temporary license shall be posted at the location in a conspicuous public location for the duration of the permit.

(7) A licensed location shall also display, in a conspicuous public location, a copy of each Master License of the COAMs in operation at that location.

(8) A temporary license is not transferrable:

(a) From one Owner or Operator to another;

(b) From one location to another.

(9) Failure to comply with this Regulation shall be cause for denial of full approval for a Master License and/or Location License.

Authority: O.C.G.A. §§ 48-2-12, 48-17-1, 48-17-2.

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**560-2-18-.07 Temporary Location Permit – COAM.**

(1) All Operators of COAMs that do not operate at a permanent location shall obtain a Temporary Location Permit, in addition to a Master License, if applicable.

(2) The Temporary Location Permit shall contain the following information:

(a) The name and address of the location;

(b) The date of activation;

(c) The expiration date;

(d) Name and mailing address of the Operator;

(e) The number of each class of machine in use at that location.

(3) A Temporary Location Permit shall be valid for no longer than seven (7) days.

(4) The original Temporary Location Permit shall be posted at the temporary location in a conspicuous public location for the duration of the permit.



(5) A licensed location shall also display, in a conspicuous public location, a copy of each Master License of the COAMs in operation at that location.

(6) A Temporary Location Permit is not transferrable:

(a) From one Operator to another; or

(b) From one temporary location to another.

(7) Each temporary location shall be independently licensed under this regulation.

(a) Payment of fees for operation of COAMs is only required once during the licensing period that commences on July 1 and ends on June 30 of the following year.

(b) Processing costs shall be paid for each subsequent temporary location after all fees for operation have been collected for the licensing period.

(c) A new Temporary Location Permit must be applied for every seven (7) days for locations in operation for more than seven (7) days.

Authority: O.C.G.A. §§ 48-2-12, 48-17-1, 48-17-2.

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**560-2-18-.08 Permit Sticker – COAM.**

(1) The Permit Stickers required under O.C.G.A. § 48-17-9 for Class A Machines and Class B Machines shall vary in color from each other as well as from year to year, and shall be in the form prescribed by the Commissioner.

(2) The Permit Sticker shall be attached in a conspicuous place on the front of the machine to the corresponding class of machine at all times the machine is in operation.

(3) A Permit Sticker shall only be valid and effective commencing July 1, or upon issuance if purchased after July 1, through June 30 of the following year.

(a) The Permit Sticker shall conspicuously indicate the year that the sticker is valid.

Authority: O.C.G.A. §§ 48-2-12, 48-17-9, 48-17-12.

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**560-2-18-.09 Removal of Permit Sticker – COAM.**

(1) The Permit Sticker may not be removed from any COAM except by the Master Licensee, under penalty of law.

(2) If a COAM is sold, the Owner is required to remove the sticker before surrendering the COAM to the new Owner.

(3) The new Owner is responsible for purchasing a Permit Sticker, as evidenced by a copy of a bill of sale provided to the Department, within ten (10) business days of purchase of a COAM that remains in operation at that location.

(a) For COAM removed from a location upon purchase, the new Owner is responsible for purchasing a Permit Sticker prior to the date in which a machine is placed in a location and becomes available for play by the public.

(4) Permit Stickers are non-transferable from one Master Licensee to another Master Licensee.

(5) Permit Stickers may be transferred from one COAM to another so long as the ownership of the COAM does not change and the Permit Sticker is placed on a COAM that is in the same class of machines as the transferred sticker.

Authority: O.C.G.A. §§ 48-2-12, 48-17-9, 48-17-12, 48-17-13.

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**CHAPTER 560-2-18  
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**560-2-18-.10 Inspection of Licensed Premises and  
Records – COAM.**

(1) The Commissioner and/or the Commissioner's agents may enter the licensed place of business of any person engaged in the ownership and/or operation of COAMs at any time for the purpose of inspecting the place of business and enforcing Chapter 17 of the Official Code of Georgia and these regulations, and agents shall have access during the inspection to:

(a) All areas of the place of business;

(b) All books, records, and supplies relating to the ownership and/or operation of COAMs.

(2) Failure to cooperate with all aspects of an inspection or to hinder or interfere with an agent in the performance of the agent's duties shall be a violation of these regulations by any licensee, its employee, or anyone acting on behalf of or with the approval of the licensee, compensated or otherwise.

(3) Interference or hindrance of an agent shall include, but not be limited to the following:

(a) Disorderly conduct including behaving in any manner tending to threaten or to appear to threaten the agent or

members of the public during an inspection or performance of the agent's duty;

(b) Disturbing the peace including, but not limited to, utilizing loud, boisterous, threatening, abusive, insulting, or indecent language during an inspection or performance of the agent's duty.

(4) All licensee's business records relating to COAM maintained at its registered agent's place of business are subject to the requirements of this Regulation.

Authority: O.C.G.A. §§ 48-2-12, 48-17-2.

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**560-2-18-.11 Failure to Comply with Tax Laws –  
COAM.**

(1) No application for a license under this Chapter will be considered as long as any person, firm, or corporation holding an interest in the business for which an application is made, has failed to meet any obligations imposed by any rule, regulation, or tax law of Georgia.

(2) The failure of any licensee, permittee, person, firm, or corporation holding an interest in the business for which the license is issued to meet any obligations imposed by any tax law of Georgia, shall be grounds for non-renewal, suspension, or revocation of any license, permit, or registration.

Authority: O.C.G.A. §§ 48-2-12, 48-17-4, 48-17-12, 48-17-13, 48-17-14.

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**560-2-18-.12 Subterfuge – COAM.**

Any act which may be construed as a subterfuge in an effort to circumvent any of these rules and regulations shall be deemed a violation of the rule or regulation attempted to be circumvented.

Authority: O.C.G.A. §§ 48-2-12, 48-17-12, 48-17-13.

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**560-2-18-.13 Consequences for Violations –  
COAM.**

(1) Any person who violates the provisions of the law or regulations, including any tax violations, or who aids or abets another in such violation, will be subject to criminal and financial penalties, including:

- (a) A fine assessed against the COAM license holder;
- (b) Suspension of the COAM license;
- (c) Revocation of the COAM license;
- (d) Seizure of the COAM, including any proceeds contained in the COAM;
- (e) Any other penalties and sanctions that may reasonably be imposed by law.

Authority: O.C.G.A. §§ 48-2-12, 48-17-4, 48-17-12, 48-17-13.



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**560-2-18-.14 Non-Cash Redemption – COAM.**

(1) Non-cash redemption associated with the playing of COAM is permissible only to the extent the redemption is consistent with O.C.G.A. § 16-12-35.

(2) Store cards are permissible if the card is:

(a) Unique to a location;

(b) For use only at that licensed location; and

(c) Only redeemable at the location in which the accumulated points are awarded by the COAM.

(3) Debit cards that are not store cards shall be considered cash for the purposes of this Regulation and are not permissible.

Authority: O.C.G.A. §§ 48-2-12, 16-12-35.